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Commercial Enforcement Division  
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IN THE MATTER OF THE LICENSE OF	)	
<b>B &amp; K DRYWALL, INC</b>	)	<b>STIPULATION AND ORDER</b>
TO OPERATE AS A	)	
CONTRACTOR	)	CASE NO DOPL 2015-645
IN THE STATE OF UTAH	)	

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**B & K DRYWALL, INC** (“Respondent”) and the Construction Services Commission (“Commission”) of the Department of Commerce of the State of Utah stipulate and agree as follows

1 Respondent admits the jurisdiction of the Commission and the Division of Occupational and Professional Licensing (“Division”) over Respondent and over the subject matter of this action. Kenneth Layton is the president of B & K Drywall, Inc, and is authorized to act as agent for and enter into binding agreements on behalf of B & K Drywall, Inc. In this Stipulation and Order, the term “Respondent” shall mean both B & K Drywall, Inc, and Kenneth Layton, individually and collectively.

2. Respondent acknowledges that Respondent enters into this Stipulation knowingly and voluntarily

3. Respondent understands that Respondent has the right to be represented by counsel in this matter and Respondent's signature below signifies that Respondent has either consulted with an attorney or Respondent waives Respondent's right to counsel in this matter.

4. Respondent understands that Respondent is entitled to a hearing before the Commission, or other Presiding Officer, at which time Respondent may present evidence on Respondent's own behalf, call witnesses, and confront adverse witnesses. Respondent acknowledges that by executing this document Respondent hereby waives the right to a hearing and any other rights to which Respondent may be entitled in connection with said hearing. Respondent understands that by signing this document Respondent waives all rights to any administrative and judicial review as set forth in Utah Code Ann §§ 63G-4-301 through 63G-4-405 and Utah Administrative Code R151-4-901 through R151-4-907. Respondent and the Division hereby express their intent that this matter be resolved expeditiously through stipulation as contemplated in Utah Code Ann § 63G-4-102(4).

5. Respondent waives the right to the issuance of a Petition and a Notice of Agency Action in this matter.

6. Respondent acknowledges that this Stipulation and Order, if adopted by the Commission and Division, will be classified as a public document. The Commission and Division may release this Stipulation and Order, and will release other information about this disciplinary action against Respondent's license to other persons and entities.

7. Respondent admits the following facts are true.

- a. Respondent was first licensed as a contractor in the State of Utah on or about May 21, 1991.
- b. Respondent hired ITY of Texas LLC, an unlicensed contractor, on

multiple occasions between 2012 and 2015, to engage in construction trades in the State of Utah, for which a contractor license is required. ITY of Texas LLC paid its workers as independent contractors on Form 1099, rather than the appropriate W-2 wages.

8. Respondent admits that Respondent's conduct described above is unlawful conduct as defined in Utah Code Ann § 58-55-501(3), and that said conduct justifies disciplinary action against Respondent's license pursuant to Utah Code Ann. § 58-1-401(2) (a) and (b). Respondent understands that the issuance of the Order in this matter is disciplinary action by the Division against Respondent's license pursuant to Utah Administrative Code R156-1-102(6) and Utah Code Ann. § 58-1-401(2) Respondent agrees that an Order shall be entered in this matter as follows:

- (1) Respondent shall pay an administrative penalty of \$1,000.00 (one thousand dollars) to the Division, pursuant to Utah Code Ann. § 58-55-503, due upon the effective date of this Stipulation and Order, and shall immediately cease and desist from hiring unlicensed persons, companies, or entities to engage in construction activities for which a contractor license is required
- (2) Respondent acknowledges that this stipulation only resolves issues within the jurisdiction of the Division of Occupational and Professional Licensing This stipulation does not resolve any investigation or action that may be taken by any other Federal or State agency.
- (3) Respondent's license shall be subject to a term of probation for a period of two years. The period of probation shall commence on the effective date of this Stipulation and Order, which is the date the Division Director signs the Order. During the period of probation, Respondent shall be subject to all of the following terms and conditions. If the Commission or Division later deems any of the conditions unnecessary such deletions may be made by an amended order issued unilaterally by the Commission or Division.
  - a Respondent shall only hire licensed contractors to act as contractor or subcontractors in a construction trade requiring licensure or, alternatively employing the persons for wages wherein all payroll taxes, unemployment insurance, and workers compensation insurance is paid.

1000 Fine  
Paid in full  
11-30-2015

- b Respondent shall provide the Division with the following documents on a quarterly basis:
- (i) a copy of form 33H Employer Contribution Report and Wage List file with the Division of Workforce Services;
  - (ii) a copy of quarterly reports filed with the IRS and the Utah State Tax Commission for withholdings for employee state and federal income taxes; and
  - (iii) an active certificate of workers compensation insurance.
- c. Respondent shall provide the Division with the following documents on an annual basis, or at such other greater or lesser frequency as determined by the Commission and Division, for the duration of the Stipulation and Order:
- (i) a business income tax return for B & K Drywall Inc;
  - (ii) a copy of the W-3 form filed with IRS; and
  - (iii) copies of any 1099 forms filed with IRS;
  - (iv) if requested by the Division, a reconciliation of the amounts shown on the tax return as payments to subcontractors to the 1099 forms provided;
  - (v) if requested by the Division, a listing of the jobs completed by Respondent, in which the list should include the customer's name and contact information and a list of subcontractors hired to complete the jobs, and
  - (vi) a personal income tax return for Kenneth Layton.
- d. Respondent shall maintain an active license at all times during the period of this agreement
- e Respondent shall immediately notify the Division in writing of any change in Respondent's business address
- f. Respondent shall be responsible for payment of all costs associated with this Stipulation and Order. Failure of Respondent to pay the costs associated with this Stipulation and Order constitutes a violation of this Stipulation and Order.

9. This Stipulation and Order, upon approval by the Commission and Division Director, shall be the final compromise and settlement of this non-criminal administrative matter. Respondent acknowledges that the Commission and Director are not required to accept the terms of this Stipulation and Order and that if the Commission or Director does not do so, this Stipulation and the representations contained therein shall be null and void, except that the Commission, Director, and the Respondent waive any claim of bias or prejudgment Respondent might have with regard to the Commission and Director by virtue of his having reviewed this Stipulation, and this waiver shall survive such nullification

10. Respondent agrees to abide by and comply with all applicable federal and state laws, regulations, rules and orders related to the Respondent's licensed practice. If the Division files a Petition alleging that Respondent has engaged in new misconduct or files an Order to Show Cause Petition alleging that Respondent has violated any of the terms and conditions contained in this Stipulation and Order, the period of Respondent's probation shall be tolled during the period that the Petition or Order to Show Cause Petition has been filed and is unresolved.

11. This document constitutes the entire agreement between the parties and supersedes and cancels any and all prior negotiations, representations, understandings or agreements between the parties regarding the subject of this Stipulation and Order. There are no verbal agreements that modify, interpret, construe or affect this Stipulation. Respondent agrees not to take any action or make any public statement, that creates, or tends to create, the impression that any of the matters set forth in this Stipulation and Order are without factual basis. A public statement includes statements to one or more Commission or Board members

during a meeting of the Commission or Board. Any such action or statement shall be considered a violation of this Stipulation and Order.

12. The terms and conditions of this Stipulation and Order become effective immediately upon the approval of this Stipulation and signing of the Order by the Commission and Division Director. Respondent must comply with all the terms and conditions of this Stipulation immediately following the Commission and Division Director's signing of the Order page of this Stipulation and Order. Respondent shall complete all the terms and conditions contained in the Stipulation and Order in a timely manner. If a time period for completion of a term or condition is not specifically set forth in the Stipulation and Order, Respondent agrees that the time period for completion of that term or condition shall be set by the Commission. Failure to complete a term or condition in a timely manner shall constitute a violation of the Stipulation and Order and may subject Respondent to revocation or other sanctions. Respondent understands that failure to comply with this Order may subject Respondent to a civil penalty of up to \$2,000 (two-thousand dollars) for each day the order is violated pursuant to Utah Code Ann § 58-1-503(1).

13. Respondent understands that the disciplinary action taken by the Division in this Stipulation and Order may adversely affect any license that Respondent may possess in another state or any application for licensure Respondent may submit in another state.

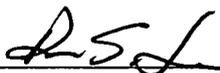
14. If Respondent violates any term or condition of this Stipulation and Order, the Commission may take action against Respondent, including imposing appropriate sanction, in the manner provided by law. Such sanction may include revocation or suspension of Respondent's license, or other appropriate sanction.

15 Respondent shall practice only under Respondent's name as set forth in the caption of this Stipulation and Order. If Respondent intends to practice under any other name, then, prior to practicing under any other name, Respondent shall inform the Division in writing, and Respondent and the Division shall enter into an Amended Stipulation and Order, which consists of the new name Respondent intends to practice under, along with all the same terms and conditions in the original Stipulation and Order.

16 Respondent has read each and every paragraph contained in this Stipulation and Order Respondent understands each and every paragraph contained in this Stipulation and Order. Respondent has no questions about any paragraph or provision contained in this Stipulation and Order.

DIVISION OF OCCUPATIONAL &  
PROFESSIONAL LICENSING

RESPONDENT

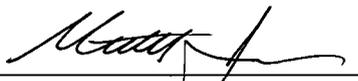
BY:   
DAN S. JONES  
Bureau Manager

BY:   
KENNETH LAYTON

DATE: 12-1-15

DATE: 11/17/15

SEAN D. REYES  
UTAH ATTORNEY GENERAL

BY:   
L MITCHELL JONES  
Counsel for the Division

DATE 1 Dec 15

**ORDER**

THE ABOVE STIPULATION, in the matter of **B & K DRYWALL, INC**, is hereby approved by the Construction Services Commission, and constitutes its Findings of Fact and Conclusions of Law in this matter. The issuance of this Order is disciplinary action pursuant to Utah Administrative Code R156-1-102(6) and Utah Code Ann § 58-1-401(2) The terms and conditions of the Stipulation are incorporated herein and constitute the Commission's final Order in this case.

DATED this 16 day of DEC., 2015

  
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CONSTRUCTION SERVICES COMMISSION  
Representative

I concur with the above Stipulation and Order, which the Construction Services Commission has approved

DATED this 16 day of Dec, 2015

DIVISION OF OCCUPATIONAL AND  
PROFESSIONAL LICENSING

  
\_\_\_\_\_  
MARK B STEINAGEL  
Director or  
W RAY WALKER  
Director's Designee